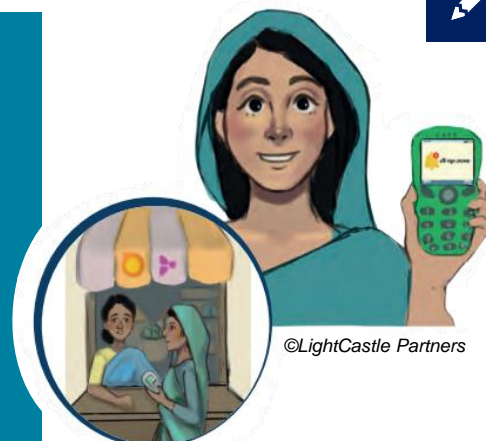


What are the advantages of sending money into people's own accounts?

Advantages for cash recipients

- ✓ **Convenience:** Funds can be received and accessed without long waits or travel to distribution points. This can particularly be relevant for people with limited mobility.
- ✓ **Greater choice & flexibility:** People can decide how and when to spend the money based on their specific needs.
- ✓ **Dignity & autonomy:** Receiving cash empowers individuals to make their own financial decisions.
- ✓ **Improved financial inclusion:** Access to formal accounts can help people join the financial system and access other services (e.g., savings, credit).
- ✓ **Safety & security:** Digital transfers reduce the risks associated with handling large amounts of physical cash.
- ✓ **Better long-term outcomes:** Financial accounts provide opportunities to build savings and improve financial resilience.



Click here for more information [why and how women could be prioritized](#) to receive cash transfers on behalf of their households.

Advantages for organization that provides payments

- ✓ **Cost-effectiveness:** Digital transfers reduce administrative/logistical costs compared to distributing physical cash.
- ✓ **Faster delivery:** Funds can be transferred quickly to recipients, even in remote or hard-to-reach areas.
- ✓ **Improved accountability & transparency:** Digital payments provide a clear audit trail, reducing risks of fraud/misuse.
- ✓ **Scalability:** Digital payments can be delivered to large groups of people more efficiently.
- ✓ **Flexibility for programmes:** Digital payments can be adapted to various needs and integrated into broader recovery or development efforts.
- ✓ **Strengthening local digital economies** through encouraging digital payment solutions (supports local businesses)

Before implementation, be aware of common risks and pitfalls – here are some ways how to avoid them:

Exclusion of disadvantaged groups due to access barriers	Financial and digital literacy gaps	Technical failures, connectivity issues and infrastructure gaps
<ul style="list-style-type: none"> ✗ Risk: People without IDs, financial access, or digital skills or specific vulnerabilities may be excluded. ✓ Mitigation: Support ID registration, offer simplified accounts, ensure alternative transfer methods; design for and prioritize marginalized groups. 	<ul style="list-style-type: none"> ✗ Risk: Recipients may struggle to use accounts or digital tools. Providers may not see value in training people. ✓ Mitigation: Provide training, create simple materials in local languages, offer ongoing support, and run onboarding sessions with providers (contractualize training obligations). 	<ul style="list-style-type: none"> ✗ Risk: Poor connectivity or lack of infrastructure can delay transfers. ✓ Mitigation: Assess/test infrastructure gaps before implementation, partner with multiple providers, and offer alternative payout methods. Advocate with service providers to expand coverage in underserved areas.
Costs and fees for recipients	Trust issues in digital tools and financial service providers	Data privacy, fraud & agent misconduct
<ul style="list-style-type: none"> ✗ Risk: Unexpected account or transaction fees reduce assistance value (due to limited competition). ✓ Mitigation: Negotiate fee waivers, inform recipients about charges, and consider covering costs. Ensure people are well aware of costs and know about their rights. 	<ul style="list-style-type: none"> ✗ Risk: Recipients or communities may distrust digital payment systems, financial providers, or data handling. ✓ Mitigation: Build trust through clear communication, demonstrate system reliability, engage communities through people of trust (community champions), and ensure transparency. 	<ul style="list-style-type: none"> ✗ Risk: Data leaks, scams, or theft could harm recipients; accounts may be hacked or misused; agents may ask for unjustified fees, exploiting people. ✓ Mitigation: Use secure systems, limit data sharing, educate people on account safety, monitor providers, provide support/feedback channel

Here are resources to help [strengthen safeguards](#) and tools against [abuse of power by service providers](#).

How to incentivize account opening?

Ways for humanitarian/development actors to incentivize account opening include ...

- Helping people open an account with a **payment provider of their own choice**.
- Promote **cash transfers into individual accounts** and collaborate with cash actors e.g. through [Cash Working Groups](#), where available.
- **Transparently and neutrally inform participants about fees**, such as - transfer fees, cash withdrawal fees, as well as fees for person-to-person payments, merchant payments or bill payments.
- Help individuals, small businesses and cooperatives digitize payments (when they are project participants)
- Support digital [savings groups](#) and expand access to financial services.

You can also advocate for account opening avenues by others include...

- Advocate for **digital national safety net payments** like pensions and wages.
- **Promote a digital payment ecosystem**: Engage with retailers, education ministries, and utility providers to promote digital payment systems for merchant transactions, school fees, and utility bills.
- Advocate for **lower fees and levies on digital payments** (this can incentivize use).
- Advocate for **insurance initiatives** to encourage account opening and digitize payouts.
- **Advocate for digital loans** and wages through microfinance and industries.
- Advocate with **remittance companies for account-based transfers**.

Check the [responsible payments website](#) to read more about the **advantages/challenges of digital accounts**.

Key steps for opening an account



Sourced from Strategic Impact Advisors: [Her Business, Her Future — Strategic Impact Advisors](#) p.7

How can we support people when opening an account for the first time?

Provide clear information and awareness <ul style="list-style-type: none"> ✓ Inform recipients about the benefits of financial accounts, while also addressing security/privacy concerns. ✓ Use informative sessions or materials to raise awareness. 	Simplify the registration process <ul style="list-style-type: none"> ✓ Offer support with documentation and registration. ✓ Set up mobile registration hubs, self-registration or community-based agents. Ensure women agents are also present. 	Incentivize account creation <ul style="list-style-type: none"> ✓ Offer incentives like airtime, financial literacy training, or initial deposits. ✓ Reward account holders with access to services like loans or savings plans.
Build trust and ensure security <ul style="list-style-type: none"> ✓ Emphasize safety and privacy, helping recipients understand how their information is protected. ✓ Partner with trusted financial institutions to foster credibility. 	Provide financial education and support <ul style="list-style-type: none"> ✓ Offer training on using accounts for saving, budgeting, and managing funds. ✓ Develop resources explaining how to send and receive money, pay bills, and access credit. 	Leverage technology and community networks <ul style="list-style-type: none"> ✓ Use digital platforms to simplify access to financial accounts and services. ✓ Work through community leaders and local networks to encourage participation.

Always consider collaborating with **local organizations**, financial service providers and government.